

Serial No. 09/480,991

December 16, 2003

Page 2

IN THE CLAIMS:

The following listing of the claims replaces all previous listings.

1. (Currently amended) A method for conducting a financial batch auction after a first period and before a second period, comprising the steps of:

receiving during an order acceptance period orders from ~~one or more~~ qualified a plurality of participants, said orders representing a desire to execute a trade regarding a security;

~~concurrently with receiving said orders,~~ continuously transmitting to said participants information regarding said orders as they are received during said order acceptance period to ~~said qualified participants~~;

allowing said participants during said order acceptance period to modify previously submitted orders only if the modification meets a predetermined set of conditions;

terminating prohibiting the receiving of orders after said order acceptance period;

discovering an optimal price at which a maximum number of shares will be executed based on all orders received during said order acceptance period; and

executing a trade of said maximum number of shares at said optimal price; and

~~allocating said executed maximum number of shares fairly among orders that~~

~~qualify according to a predetermined allocation procedure.~~

Serial No. 09/480,991

December 16, 2003

Page 3

2. (Original) The method for conducting a financial batch auction according to claim 1, wherein said orders include parameters describing a trade side, a security identifier, and a quantity of shares.

3. (Original) The method for conducting a financial batch auction according to claim 1, wherein said orders have order types selected from the group consisting of unpriced orders, priced orders, and cross orders.

4. (Currently amended) The method for conducting a financial batch auction according to claim 1, wherein the batch auction is conducted concurrently with a continuous trading financial market for said security.

B1
5. (Currently amended) The method for conducting a financial batch auction according to claim 4, wherein one of said first period or said second period comprises a stoppage of trading of said security on said continuous trading market.

6. (Currently amended) The method for conducting a financial batch auction according to claim 1, wherein said information transmitted to said qualified recipients comprises an indicated price and a net order imbalance for said security.

7. (Currently amended) The method for conducting a financial batch auction according to claim 1, ~~further comprising the step of:~~ wherein modification of previously submitted orders includes receiving requests to cancel orders and receiving requests to modify quantity and/or price of orders concurrently with said receiving of said orders.

8. (Currently amended) The method for conducting a financial batch auction

Serial No. 09/480,991

December 16, 2003

Page 4

according to claim 7, wherein said receiving of requests to cancel orders is terminated at a predetermined time before terminating the end of said order acceptance period receipt of orders, and said receiving of orders and said receiving of requests to modify orders are accepted subject to predetermined conditions.

9. (Currently amended) The method for conducting a financial batch auction according to claim 1, wherein during said further comprising an allocating step, wherein said executed maximum number of shares is distributed pro-rata among orders that qualify for execution.

10. (Currently amended) A method of performing a batch auction of a security, comprising the steps of:

compiling an order book, wherein said compiling comprises receiving order information from ~~qualified~~ participants during an order acceptance period, and entering orders into the order book, and modifying or canceling orders within the order book in response to modification requests received from participants based upon said order information provided to said participants during said order acceptance period, where said modification requests satisfy a plurality of predetermined conditions;

discovering an optimal price, wherein said discovering step comprises identifying one or more prices at which the batch auction would produce a maximum number of executed shares, and selecting one of said one or more prices as an optimal price; and

Serial No. 09/480,991

December 16, 2003

Page 5

executing the batch auction at the optimal price, wherein said executing step comprises crossing orders within the order book at the optimal price, ~~and allocating the executed shares pro-rata among orders having price requirements consistent with said optimal price.~~

11. (Original) The method of performing a batch auction of a security according to claim 10, wherein said order information comprises parameters describing a trade side, a security identifier, and a quantity of shares.

12. (Original) The method of performing a batch auction of a security according to claim 10, wherein said orders have order types selected from the group consisting of unpriced orders, priced orders, and cross orders.

31
13. (Currently amended) The method of performing a batch auction of a security according to claim 10, wherein the batch auction is conducted concurrently with a continuous trading financial market for said security.

14. (Original) The method of performing a financial batch auction of a security according to claim 13, wherein the batch auction is performed at the open or close of said continuous trading market.

15. (Original) The method of performing a financial batch auction of a security according to claim 10, wherein said optimal price is selected based upon a relative supply and a demand dictated by said order book.

16. (Original) The method of performing a financial batch auction of a security

Serial No. 09/480,991

December 16, 2003

Page 6

according to claim 15, wherein said selecting step further comprises comparing said relative supply and demand to a standard.

17. (Currently amended) The method of performing a financial batch auction of a security according to claim 10, wherein ~~during compiling~~ said order book information provided to said participants during said order acceptance period comprises comprising an indicated price and a net order imbalance ~~is disseminated to qualified recipients~~.

B1
18. (Currently amended) The method of performing a financial batch auction of a security according to claim 10, wherein said canceling of and modifying of orders within the order book is restricted to a predetermined time before said price-discovering step begins order acceptance period ends.

19. (Original) The method of performing a financial batch auction of a security according to claim 10, wherein a designated intermediary is permitted to view said order book and to cover orders for unexecuted shares at said optimal price.

20. (Currently amended) A computerized method for performing a batch auction of a security, comprising:

a computerized network having ~~one or more~~ at least two computers in electronic communication with each other;

an order receiving program running on one or more of said computers, wherein said receiving program is designed to receive a plurality of messages containing orders and modifications of prior orders ~~from one or more qualified~~ a plurality of participants

Serial No. 09/480,991

December 16, 2003

Page 7

during an order acceptance period, and to accept only those orders and modifications of prior orders that meet certain a set of predetermined criteria;

an order book database located on one or more of said computers, wherein said order book database communicates with said order receiving program and stores each of said accepted orders received by said receiving program;

B1 a price discovery program running on one or more of said computers, wherein said price discovery program ~~refers to said order book database and~~ calculates an optimal price upon which to transact a maximum number of shares of the security during the batch auction based on order information stored in said order book database;

a batch auction execution program running on one or more of said computers, wherein said execution program executes the batch auction of said maximum number of shares of the security at a given predetermined execution time, ~~and allocates said maximum number of shares of the security among said accepted orders according to a predetermined criterion;~~ and

a notification program running on one or more of said computers, wherein said notification program publishes a predetermined selection of data from said order book database during said order acceptance period, and wherein said notification program notifies said ~~qualified participants of results of said auction execution program~~ published selection of data during said order acceptance period.

Serial No. 09/480,991

December 16, 2003

Page 8

21. (Original) The computerized system for performing a batch auction of a security according to claim 20, wherein said predetermined selection of data published by said price notification system comprises an indicated price and net order imbalance.

22. (Original) The computerized system for performing a batch auction of a security according to claim 20, wherein said messages can contain order types selected from the group consisting of unpriced orders, priced orders, and cross orders.

23. (Original) The computerized system for performing a batch auction of a security according to claim 20, further comprising an electronic connection for forwarding unexecuted orders to outside markets.

B1
24. (Currently amended) The computerized system for performing a batch auction of a security according to claim 20, further comprising communication connections whereby said qualified participants may remotely submit said messages to said order receiving program electronically.

25. (Currently amended) The computerized system for performing a batch auction of a security according to claim 24, wherein said qualified participants receive said results of the batch auction electronically from said notification program.

26. (Original) The computerized system for performing a batch auction of a security according to claim 20, wherein said predetermined criteria vary within a time interval preceding said execution time.

27. (Currently amended) The computerized system for performing a batch

Serial No. 09/480,991

December 16, 2003

Page 9

auction of a security according to claim 20, wherein said execution time comprises a period of time either at an opening or a closing of a continuous trading financial market.

28. (Currently amended) The computerized system for performing a batch auction of a security according to claim 20, wherein said execution program allocates said a maximum number of shares pro-rata among said accepted orders.

29. (Original) The computerized system for performing a batch auction of a security according to claim 20, further comprising an interface for a designated intermediary to view said order book database while said order receiving program is communicating with said order book database.

31 30. (Currently amended) A method for conducting a security batch auction cycle, said auction cycle having an order acceptance period, a price discovery period, and an order execution period, said method comprising the steps of:

during a first of two stages of said order acceptance period:

accepting requests to enter auction orders into an order book, to modify auction orders within the order book, and to cancel auction orders within the order book during a first stage of said order acceptance period; and

selecting data from said order book, and publishing said selected data to ~~one of~~ more qualified a plurality of recipients;

during the second stage of said order acceptance period:

accepting late requests to enter auction orders into the order book if said late

Serial No. 09/480,991

December 16, 2003

Page 10

requests to enter meet a first set of criteria;

accepting late requests to modify orders within the order book if said late

requests to modify meet a second set of criteria; and

publishing said selected data within said order book to said qualified plurality of
recipients;

during said price discovery period:

identifying one or more prices at which the batch auction cycle would produce a
maximum number of executed shares, and selecting one of said one or more prices as
an optimal price; and

during said order execution period:

executing a trade of said maximum number of shares at said optimal price; and

~~allocating said executed number of shares among the orders according to a
predetermined criterion.~~

31. (Currently amended) A method of performing an intermediated batch auction
of a security, comprising the steps of:

receiving a plurality of orders from ~~one or more qualified~~ a plurality of
participants during an order acceptance period, each of said orders identifying a desire
to trade shares of the security;

providing information to an intermediary regarding said plurality of orders during
said order acceptance period, and accepting orders from said intermediary identifying a